Rhode Island School of Design

Consolidated Financial Statements
June 30, 2024 and 2023

Rhode Island School of Design
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June 30, 2024 and 2023

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Independent Auditors' Report

To the Board of Trustees of
Rhode Island School of Design

Opinion

We have audited the consolidated financial statements of Rhode Island School of Design and its subsidiaries (the School), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the School as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School’s ability to continue as a going concern within one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Baker Tilly US, LLP

New York, New York
November 7, 2024

Rhode Island School of Design
Consolidated Statements of Financial Position
June 30, 2024 and 2023
(Dollars in thousands)

	2024	2023
Assets		
Cash and cash equivalents	$ 26,439	$ 26,188
Accounts receivable, net (Note 6)	1,454	3,906
Pledges receivable, net (Note 7)	3,453	5,021
Funds held in trust by others (Note 2)	913	844
Inventories	1,365	1,360
Prepaid expenses	785	2,686
Other investments (Note 2)	612	590
Long-term investments (Note 2)	420,446	390,926
Right of use assets - operating (Note 12)	4,283	5,177
Property, plant and equipment, net (Note 8)	272,011	279,462
Total assets	$ 731,761	$ 716,160
Liabilities		
Accounts payable and accrued liabilities (Note 9)	$ 10,857	$ 10,118
Deferred income (Note 10)	8,322	6,384
Obligations under long-term agreements (Note 11)	9,329	9,565
Lease liabilities(Note 12)	4,498	5,361
Bonds payable, net (Note 13)	179,598	187,400
Total liabilities	212,604	218,828
Net Assets		
Net assets without donor restrictions (Notes 14, 15)	334,029	322,007
Net assets with donor restrictions (Notes 14, 15)	185,128	175,325
Total net assets	519,157	497,332
Total liabilities and net assets	$ 731,761	$ 716,160

The accompanying notes are an integral part of the consolidated financial statements.

Rhode Island School of Design
Consolidated Statements of Activities
Year Ended June 30, 2024
(With Summarized Financial Information for the Year Ended June 30, 2023)
(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
Operating revenues				
Net tuition and fees	$ 119,700	$ -	$ 119,700	$ 120,557
Gifts and pledges	2,846	3,116	5,962	7,209
Grants	352	2,376	2,728	2,888
Auxiliary enterprises	29,877	-	29,877	28,664
Museum services	708	-	708	792
Investment income	14,769	6,159	20,928	19,774
Other income	4,056	4	4,060	4,288
Net assets released from restrictions	12,877	(12,877)	-	-
Total revenues	185,185	(1,222)	183,963	184,172
Operating expenses				
Salaries and wages	92,465	-	92,465	88,116
Benefits	24,054	-	24,054	23,202
Contracted services	21,788	-	21,788	21,826
Depreciation, amortization and interest	23,173	-	23,173	21,923
Utilities, plant and equipment	14,417	-	14,417	15,739
Supplies and general	9,632	-	9,632	10,087
Other operating expenses	3,482	-	3,482	3,132
Total expenses	189,011	-	189,011	184,025
Change in net assets from operating activities	(3,826)	(1,222)	(5,048)	147
Nonoperating				
Realized and unrealized gains on investments, net	15,848	9,743	25,591	9,445
Realized gain on sale of asset	-		-	825
Gifts and pledges	-	1,282	1,282	5,905
Change in net assets from nonoperating activities	15,848	11,025	26,873	16,175
Change in net assets	12,022	9,803	21,825	16,322
Total net assets				
Beginning of year	322,007	175,325	497,332	481,010
End of year	$ 334,029	$ 185,128	$ 519,157	$ 497,332

The accompanying notes are an integral part of the consolidated financial statements.

Rhode Island School of Design
Consolidated Statement of Activities
Year Ended June 30, 2023
(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues			
Net tuition and fees	$ 120,557	$ -	$ 120,557
Gifts and pledges	3,558	3,651	7,209
Grants	2,005	883	2,888
Auxiliary enterprises	28,667	(3)	28,664
Museum services	792	-	792
Investment income	14,079	5,695	19,774
Other income	4,283	5	4,288
Net assets released from restrictions	11,463	(11,463)	-
Total revenues	185,404	(1,232)	184,172
Operating expenses			
Salaries and wages	88,116	-	88,116
Benefits	23,202	-	23,202
Contracted services	21,826	-	21,826
Depreciation, amortization and interest	21,923	-	21,923
Utilities, plant and equipment	15,739	-	15,739
Supplies and general	10,087	-	10,087
Other operating expenses	3,132	-	3,132
Total expenses	184,025	-	184,025
Change in net assets from operating activities	1,379	(1,232)	147
Nonoperating			
Realized and unrealized gain on investments, net	5,436	4,009	9,445
Realized gain on sale of asset	825		825
Gifts and pledges	-	5,905	5,905
Change in net assets from nonoperating activities	6,261	9,914	16,175
Change in net assets	7,640	8,682	16,322
Total net assets			
Beginning of year	314,367	166,643	481,010
End of year	$ 322,007	$ 175,325	$ 497,332

The accompanying notes are an integral part of the consolidated financial statements.

Rhode Island School of Design
Consolidated Statements of Cash Flows
Years Ended June 30, 2024 and 2023
(Dollars in thousands)

	2024	2023
Cash flows from operating activities		
Change in net assets	$ 21,825	$ 16,322
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized gains on investments	(44,920)	(27,965)
Change in perpetual trust	(69)	(45)
Depreciation and amortization expense, net of amortizations of bond premium	16,584	15,114
Contributions restricted for long-term purposes	(1,306)	(5,961)
Change in obligations under long-term agreements	436	417
Non-cash change in right of use assets and lease liability - operating	1,067	1,039
Changes in operating assets and liabilities that provide (use) cash		
Accounts receivable	2,452	(229)
Pledges receivable	1,116	80
Other current assets	1,896	(794)
Accounts payable and accrued liabilities	1,664	(965)
Deferred income	1,938	150
Lease liability payments	(1,036)	(1,017)
Net cash provided by (used in) operating activities	1,647	(3,854)
Cash flows from investing activities		
Purchases of buildings and equipment	(10,366)	(20,373)
Purchases of investments	(10,161)	(14,726)
Sales of investments	25,561	25,580
Net cash provided by (used in) investing activities	5,034	(9,519)
Cash flows from financing activities		
Payments on long-term debt	(7,494)	(7,257)
Payments on obligations under long-term agreements	(672)	(569)
Change in U.S. Government loan funds	-	(499)
Proceeds from contributions restricted for long-term purposes	1,736	6,378
Net cash used in financing activities	(6,430)	(1,947)
Net increase (decrease) in cash and cash equivalents and restricted cash	251	(15,320)
Cash and cash equivalents		
Beginning of year	26,188	41,508
End of year	$ 26,439	$ 26,188
Supplemental cash flow disclosures		
Costs accrued for capital expenditures	$ 1,930	$ 925
Cash paid for interest	5,384	5,661
Right of use assets obtained in exchange for operating lease obligations	-	2,784

The accompanying notes are an integral part of the consolidated financial statements.

1. Nature of Operations and Significant Accounting Policies

Nature of Operations

The Rhode Island School of Design (the School) is a private, not-for-profit art and design college founded in 1877 and located in Providence, Rhode Island. The mission of the School, through its college and museum, is to educate its students and the public in the creation and appreciation of works of art and design, to discover and transmit knowledge and to make lasting contributions to a global society through critical thinking, scholarship and innovation.

The consolidated financial statements of the School have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and with the reporting principles of not-for-profit accounting. The School includes RISD Holdings, Inc. (RH) and Washington Place Holdings, LP (Washington Place), wholly owned subsidiaries. RH was founded in 1999, and was organized for the exclusive purposes of acquiring, holding title to, and collecting income from, real property. Washington Place was formed in 2017, for the purpose of endowment investment management.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of the School and its wholly owned subsidiaries, RH and Washington Place. All significant inter-entity balances and transactions have been eliminated.

Financial statements of private, not-for-profit organizations measure aggregate net assets and net asset activity based on the absence or existence of donor-imposed restrictions. Net assets are reported as without donor restrictions and with donor restrictions and serve as the foundation of the accompanying consolidated financial statements. Brief definitions of the two net asset classes are presented below:

Net Assets Without Donor Restrictions – Net assets derived from tuition and other institutional resources that are not subject to explicit donor-imposed restrictions. Net assets without donor restrictions also include board designated funds functioning as endowment for scholarships, academic and institutional purposes, and museum support.

Net Assets with Donor Restrictions – Net assets that are subject to explicit donor-imposed restrictions on the expenditure of contributions or income and gains on contributed assets and net assets from endowments not yet appropriated for spending by the School. In addition, net assets with donor restrictions include restricted contributions from donors classified as funds functioning as endowment. The School records as net assets with donor restrictions the original amount of gifts which donors have given to be maintained in perpetuity. Restrictions and corresponding releases include support of specific departments of the School, professorships, research, faculty support, scholarships and fellowships, library and museum, building construction and other purposes. When time and purpose restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Measure of Operations

Revenues earned and expenses incurred in conducting the programs and services of the School, including gifts and investment income, are presented in the consolidated statement of activities. Net revenues and other resources from operating activities are not restricted by donors or other external sources and are, therefore, classified as net assets without donor restrictions. At the discretion of the School, all or a portion of the net assets resulting from any operating income may be designated for budgetary purposes, for capital acquisitions, for student loan funds, for principal payments on debt or for future use by the Board of Trustees.

Nonoperating revenue and expenses include net realized and unrealized gains and losses on the other assets, contributions to be invested by the School to generate a return that will support future operations, and investment return or loss beyond what the School has appropriated for current operational support in accordance with the School's investment return spending guidelines.

Revenue Recognition

Tuition revenue is recognized in the fiscal year in which the academic programs are delivered. Such revenue and fees are presented at transaction prices, which are determined based on standard published rates for the services provided and approved by the Board of Trustees, less any financial aid awarded by the School to qualifying students. The amount of revenue per student may vary based on the specific programs or classes in which the student is enrolled. Sales and services of auxiliary enterprises revenue, which consists of room and board related services, is recognized when the related service is provided or performed. Generally, the School's performance obligations are satisfied equally over the academic term. The School applies the practical expedient as allowed for within the accounting standards and, therefore, does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Amounts are due for tuition, fees, room and board at the beginning of each semester. In accordance with the School's refund policies, students may receive a full or partial refund up to five weeks after the start of the semester. Student accounts receivable includes amounts to which the School is unconditionally entitled. The School considers such amounts as unconditional based on the payment due date.

Gifts and pledges are recognized as revenue when received. Gifts specified for the acquisition or construction of long-lived assets are released to net assets without donor restrictions from net assets with donor restrictions when the assets are placed in service.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Amounts expected to be collected in future years are recorded as receivables at the present value of their expected cash flows, less an allowance for uncollectibles. The related revenue is assigned to net assets with donor restrictions until collected and any other restrictions are met, if so restricted by the donor.

Private grants are generally deemed to be exchange (reciprocal) transactions. The performance obligation for each grant or contract is deemed to be the research itself and revenue is recognized as the eligible grant activities are conducted. Transaction prices are based on budgets in the award agreement. Private grants are generally one year or less in duration.

Government grants and contracts are deemed to be non-exchange (nonreciprocal) transactions. Revenue related to conditional grants and contracts is recorded when the conditions are met. Most grants and contracts are on a cost reimbursement basis and require the School to incur eligible expenses prior to the release of funds.

Investments
The fair values of publicly traded investments are determined based upon quoted market prices. The School's alternative investment funds are carried at estimated fair value determined by management, based upon valuations provided by management of the privately held investment funds as of June 30, 2024 and 2023. Alternative investments include limited partnerships, limited liability corporations, real estate, and offshore investment funds. Because investments in alternative investment funds are not marketable, the estimated value is subject to uncertainty and therefore, may differ significantly from the value that would have been used had a market for such investments existed and such differences could be material.

The School is transitioning from multiple fund managers to a single multi-strategy limited partnership fund (the Fund). The Fund's investment strategy focuses on varied traditional and nontraditional investment opportunities to provide a diversified single portfolio for investors. The Fund invests in the following asset classes: Equity (public and private), Hedge Funds, Real Assets (public and private), Fixed Income and Cash.

Cash and Cash Equivalents
Cash and cash equivalents include highly liquid investments with maturities of three-months or less at the time of purchase. Cash equivalents are stated at cost, which approximates fair value. Cash and cash equivalents on deposit with any one financial institution are insured up to $250. The School maintains its cash and cash equivalents with several financial institutions and exceeds the insured limits.

Inventories
Inventories consist primarily of items held for resale at the School's store and are stated at the lower of cost or net realizable value. The School uses the first-in, first-out method of accounting for inventory.

Split-Interest Agreements
The School is party to various split-interest agreements with regards to irrevocable trusts and other agreements. These agreements include: perpetual trusts, charitable remainder trusts, charitable gift annuities, and pooled life income funds. The assets of gift annuities and pooled income funds are included at fair value in other investments on the consolidated statements of financial position. The obligations associated with these arrangements are recorded at present value of the aggregate liability to beneficiaries based upon life expectancy. Assets held by an outside trustee are classified as funds held in trust by others or as pledges receivable. These assets represent the School's share of the fair value of the trust assets as of the date of the consolidated statements of financial position net of a liability for the present value of estimated future payments to the donors or other beneficiaries, where applicable. Distributions of income from the trusts to the School are recorded as released from restriction when donor stipulations are met. Split-interest agreements and annuity obligations are based on certain assumptions regarding life expectancy, discount rate and rate of return. Circumstances affecting these assumptions can change the estimate of the liabilities in future periods.

Property, Plant and Equipment
Property, plant and equipment is stated at acquisition cost or the fair value as of the date of the gift, net of accumulated depreciation. Depreciation is computed on a straight-line basis over the following estimated useful lives:

Buildings and major improvements	15–45 years
Machinery and equipment	5 years
Furniture and fixtures	5 years

Expenditures for maintenance, repairs, interest and depreciation are expensed as incurred. Upon sale or retirement, the cost of the property and the related accumulated depreciation are removed from the respective accounts, and any resulting gains or losses are reflected in the consolidated statements of activities.

Capitalized interest costs are included within construction in process until the related asset is placed in service, at which point the capitalized interest costs are amortized over the respective asset's estimated useful life.

Leases
The School has entered into a variety of operating leases for student housing facilities, office/classroom space, museum storage, copiers and computer equipment. Lease liabilities and their corresponding right of use assets are recorded based on the present value of lease payments over the expected lease term. The interest rate implicit in lease contracts is typically not readily determinable, and as such, the School uses its incremental borrowing rate based on the information available at the lease commencement date, a rate which represents one that would be incurred to borrow, on a collateralized basis, over a similar term, an amount equal to the lease payments in a similar economic environment.

Lease terms may include options to renew and/or terminate the lease, which can impact the lease term. The exercise of these options is at the School's discretion and the School does not include any of these options within the expected lease term where it is not reasonably certain that these options will be exercised.

The School has elected the short-term lease exemption and, therefore, does not recognize a right of use asset or corresponding liability for lease arrangements with an original lease term of 12 months or less. Short-term lease expenses are recognized on a straight-line basis over the lease term as an operating expense.

The School leases to others portions of certain buildings for cellular, retail, restaurant and office space. RH leases buildings which generally have a lease term of five years or less, and the School leases property for cellular use with a term of ten years, terminating in 2028. These leases are classified as operating leases and are included in other income on the consolidated statements of activities. Income from operating leases is not material to the consolidated financial statements.

Collections
The School does not capitalize or assign a value to the museum collections. Collections that are acquired through purchases and contributions are not recognized as assets on the consolidated statements of financial position. Purchases of collection items are recorded as decreases in net assets without donor restrictions in the year in which the items are acquired or in net assets with donor restrictions if the assets used to purchase items is restricted by donors.

Contributed collection items are not reflected in the consolidated financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset classes.

Auxiliary Services
Auxiliary services include the RISD Store, dining halls, residence halls, and other on-campus undertakings that provide services to students, faculty, and staff for fees directly related, but not necessarily equivalent, to the costs of the services.

Deferred Income
Deferred income represents tuition and fees received for programs and services to be conducted predominantly in the next fiscal year.

Advertising Costs
Advertising costs are charged to operations when incurred. Advertising costs amounted to $526 and $367 for the years ended June 30, 2024 and 2023, respectively. Such costs are included in other operating expenses in the accompanying consolidated statements of activities.

Tax Status
The School is qualified for exemption from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. RH is qualified for exemption from Federal income tax under Section 501(c)(25) of the Internal Revenue Code.

Use of Estimates
The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurement
The School complies with accounting guidance for *Fair Value Measurement*, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Such guidance applies to reported balances that are required or permitted to be measured at fair value under existing accounting pronouncements.

The *Fair Value Measurement* standard emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement is determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, the guidance establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace, as follows:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets that are not active; or inputs other than quoted prices that are observable or can be corroborated by observable market data by correlation or other means.

Level 3 Unobservable inputs for an asset or liability that are supported by little or no market activity.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The School is permitted under U.S. GAAP to estimate the fair value of an investment at the measurement date using the reported net asset value (NAV) without further adjustment unless the entity expects to sell the investment at a value other than NAV or if the NAV is not calculated in accordance with U.S. GAAP. The School's investments in private equity, hedge funds, and the Fund are fair valued based on the most current NAV.

The School, through its outsourced primary investment firm, performs additional procedures including due diligence reviews on its investments in investment companies and other procedures with respect to the capital account or NAV provided to ensure conformity with U.S. GAAP. The School has assessed factors including, but not limited to, managers' compliance with the *Fair Value Measurement* standard, price transparency, valuation procedures in place, the ability to redeem at NAV at the measurement date, and existence of certain redemption restrictions at the measurement date.

The guidance also requires additional disclosures to enable users of the consolidated financial statements to understand the nature and risk of the School's investments. Furthermore, investments which can be redeemed at NAV by the School on the measurement date or in the near term (defined as 90 days or less) are classified as Level 2. Investments which cannot be redeemed on the measurement date or in the near term are classified as Level 3. However, as required by U.S. GAAP, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy.

New Accounting Standard Adopted

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13*, Measurement of Financial Instruments—Credit Losses (Topic 326)*. The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. For financial instruments included in the scope, the CECL methodology utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses.

The methodology replaces the multiple existing impairment methods in current U.S. GAAP, which generally require that a loss be incurred before it is recognized. On July 1, 2023, the School adopted the ASU using the modified retrospective approach. The adoption of ASU 2016-13 had no impact on the consolidated financial statements for the year ended June 30, 2024.

(Dollars in thousands)

2. Fair Value of Financial Instruments

In accordance with accounting guidance for Fair Value Measurement, the tables below summarize the financial instruments carried at fair value on a recurring basis as of June 30, 2024 and 2023, aggregated by the level in the fair value hierarchy within which those measurements fall. However, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy and instead are included in the following tables as “investments valued using the NAV practical expedient”. The fair value amounts presented in the following tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position:

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Valued Using the NAV Practical Expedient	Total Fair Value 2024
Assets					
Investments					
Cash and cash equivalents	$ 1,110	$ -	$ -	$ -	$ 1,110
Multi-strategy limited partnership investment fund	-	-	-	401,214	401,214
Private equity	-	-	-	18,122	18,122
Total investments	1,110	-	-	419,336	420,446
Beneficial interests held by third parties and other investments	-	-	1,525	-	1,525
Total assets at fair value	$ 1,110	$ -	$ 1,525	$ 419,336	$ 421,971

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Valued Using the NAV Practical Expedient	Total Fair Value 2023
Assets					
Investments					
Cash and cash equivalents	$ 2,141	$ -	$ -	$ -	$ 2,141
Multi-strategy limited partnership investment fund	-	-	-	368,277	368,277
Private equity	-	-	-	20,508	20,508
Total investments	2,141	-	-	388,785	390,926
Beneficial interests held by third parties and other investments	-	-	1,434	-	1,434
Total assets at fair value	$ 2,141	$ -	$ 1,434	$ 388,785	$ 392,360

The School’s policy for allocation to Levels 1, 2, 3 and Investments Valued Using the Practical Expedient in the tables above are described in Note 1.

The value of alternative investments (principally limited partnership interests in hedge, private equity, and other similar funds) represents the ownership interest in the NAV of the respective partnership as reported by the general partner. The School has performed due diligence around its alternative investments to ensure that they are recorded at fair value, which is based on the NAV. However, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy.

Beneficial interest held by third parties are measured at fair value using the School's percentage of the earnings of the underlying trust assets applied to the fair value of the underlying assets. This is considered a Level 3 measurement because even though the measurement is based on the underlying fair value of the trust assets as reported by the third parties, the School will never receive those assets to have the ability to direct the third parties to redeem them.

(Dollars in thousands)

There have been no changes in the methodologies used at June 30,2024 and 2023.

All net realized and unrealized gains in the tables above are reflected in the accompanying consolidated statements of activities and relate to those financial instruments held by the School at June 30, 2024 and 2023.

There were no transfers between levels for the years ended June 30, 2024 and 2023.

The following tables present liquidity information for the investments carried at fair value at June 30, 2024 and 2023, respectively.

	Investments Asset Value as of June 30, 2024					
		Fair Value		Unfunded Commitments	Redemption Frequency	Notice Period
Investment type						
Cash and cash equivalents	$	4,890	$	-	Liquid	N/A
Multi-strategy limited partnership investment fund		400,718		307	Semiannually	120 Days
Private equity		18,033		1,308	At Manager's Discretion	
Total	$	423,641	$	1,615		

	Investments Asset Value as of June 30, 2023					
		Fair Value		Unfunded Commitments	Redemption Frequency	Notice Period
Investment type						
Cash and cash equivalents	$	2,141	$	-	Liquid	N/A
Multi-strategy limited partnership investment fund		368,277		307	Semiannually	120 Days
Private equity		20,508		1,672	At Manager's Discretion	
Total	$	390,926	$	1,979		

3. Liquidity and Availability of Resources

The School’s financial assets available, reduced by amounts not available for general use due to contractual or donor-imposed restrictions, within one year of the consolidated statement of financial position date for general expenditure as of June 30, 2024 and 2023 are as follows:

		2024		2023
Cash and cash equivalents	$	11,037	$	14,885
Accounts receivable, net		1,454		3,906
Appropriations from quasi-endowment		13,403		13,233
	$	25,894	$	32,024

Appropriations from the quasi-endowment, shown above, represent a portion of the approved fiscal year 2025 spending policy allocation available within the next 12 months. The School’s endowment funds consist of donor-restricted endowments and a quasi-endowment. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. The Board of Trustees of the School determines the method to be used to appropriate endowment funds for expenditure. For fiscal year 2025, the spending policy is to spend 5.00% of a rolling twelve-quarter average, of which $13,403 of appropriations from the quasi-endowment will be available for general use.

(Dollars in thousands)

In addition to the noted available financial assets, a significant portion of the School's annual expenditures will be funded by current year operating revenues. The School's cash flows have seasonal variations during the year, attributable to tuition billing and concentration of contributions received at calendar and fiscal year end. As part of the School's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. To help manage unanticipated liquidity needs, the School has a committed line of credit in the amount of $20,000 (Note 21), which it could draw upon. In addition, the School has a board-designated endowment of $277,003 (Notes 15, 16). Although the School does not intend to spend from its board-designated endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from the board-designated endowment could be made available if necessary. However, both the board-designated endowment and donor-restricted endowments contain investments with lock-up provisions that would reduce the total investments that could be made available.

4. Tuition and Fees

For the years ended June 30, 2024 and 2023, revenue from tuition and fees recognized by the School reflects aggregate reductions as follows:

	2024	2023
Tuition and fees	$ 156,069	$ 155,717
Less:		
School sponsored financial aid	(32,321)	(31,005)
Donor sponsored financial aid	(4,048)	(4,155)
Net tuition and fees	$ 119,700	$ 120,557

5. Investment Return

Investment return for the years ended June 30, 2024 and 2023, was as follows:

	2024			2023
	Without Donor Restriction	With Donor Restriction	Total	Total
Interest and dividend income	$ 1,599	$ -	$ 1,599	$ 1,253
Net realized gains	13,528	6,318	19,846	21,253
Net unrealized gains	15,490	9,584	25,074	6,713
Total investment return	$ 30,617	$ 15,902	$ 46,519	$ 29,219

Reconciliation from Consolidated Statements of Activities

Investment income	$ 20,928	$ 19,774
Realized and unrealized gains on investments, net	25,591	9,445
Total investment return	$ 46,519	$ 29,219

(Dollars in thousands)

Investment management fees and other expenses (netted from realized gains) totaled $2,226 and $2,058 for the years ended June 30, 2024 and 2023, respectively.

Certain net assets are pooled for investment income purposes. Units in the pool are assigned on the basis of fair value at the time net assets to be invested are received, and income is distributed monthly thereafter on a per-unit basis. The fair value of long-term investments, as stated in the consolidated statements of financial position, represents the value of pooled endowment plus other nonpooled investments at June 30, 2024 and 2023.

7. Accounts Receivable

Accounts receivable consisted of the following at June 30, 2024 and 2023:

	2024	2023
Student tuition and fees	$ 419	$ 470
Grants and contracts	896	3,901
Other	300	(304)
	1,615	4,067
Less: Allowance for credit losses	(161)	(161)
Accounts receivable, net	$ 1,454	$ 3,906

7. Pledges Receivable

Pledges receivable at June 30, 2024 and 2023, are expected to be realized in the following periods:

	2024	2023
In one year or less	$ 1,878	$ 1,877
Between one year and five years, net of discount	1,210	2,779
Five years and over, net of discount	705	880
	3,793	5,536
Less: Allowance for uncollectible pledges	(340)	(515)
Pledges receivable, net	$ 3,453	$ 5,021

Pledges receivable expected to be collected within one year are recorded at their net realizable value. Those expected to be collected in future years are recorded at the present value of estimated future cash flows. The present value of estimated future cash flows has been measured at the time of the pledge using rates indicative of the market and credit risk associated with the pledge. Discount rates used to calculate the present value of pledges receivable ranged from 0.18% to 4.5%, resulting in discounts of $107 and $187 for the years ended June 30, 2024 and 2023, respectively.

(Dollars in thousands)

8. Property, Plant and Equipment

	2024	2023
Land and buildings		
Land	$ 11,731	$ 11,731
Educational plant	235,941	223,157
Dormitories and refectory	167,660	165,983
Administrative and other	55,066	54,589
Construction in progress	6,611	12,862
	477,009	468,322
Furniture, fixtures and equipment	80,855	79,790
	557,864	548,112
Less: Accumulated depreciation	(285,853)	(268,650)
Property, plant and equipment, net	$ 272,011	$ 279,462

Depreciation expense for the years ended June 30, 2024 and 2023 was $17,203 and $15,695, respectively.

9. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consisted of the following at June 30, 2024 and 2023:

	2024	2023
Trade accounts payable	$ 4,876	$ 3,668
Accrued interest	1,675	1,797
Accrued personnel liabilities	2,705	3,339
Healthcare self insurance reserve	737	604
Annuities payable	244	235
Other	620	475
Accounts payable and accrued liabilities	$ 10,857	$ 10,118

Included in trade accounts payable and other are construction related payables totaling $1,930 and $925 at June 30, 2024 and 2023, respectively.

(Dollars in thousands)

10. Deferred Income

Deferred income primarily represents payments received for tuition, room and board prior to the start of the fall academic term, as well as unearned revenue for the summer term. The following tables present a rollforward of the activities within deferred income for the years ended June 30, 2024 and 2023, respectively:

	Balance at 6/30/23	Revenue recognized included in 6/30/23 Balance	Payments received in advance of performance	Balance at 6/30/24
Degree programs	$ 1,455	$ (1,455)	$ 1,563	$ 1,563
Continuing education programs	3,316	(3,316)	4,468	4,468
Other	1,613	(1,613)	2,291	2,291
Total Deferred Income	$ 6,384	$ (6,384)	$ 8,322	$ 8,322

	Balance at 6/30/22	Revenue recognized included in 6/30/22 Balance	Payments received in advance of performance	Balance at 6/30/23
Degree programs	$ 1,517	$ (1,517)	$ 1,455	$ 1,455
Continuing education programs	3,369	(3,369)	3,316	3,316
Other	1,350	(1,350)	1,613	1,613
Total Deferred Income	$ 6,236	$ (6,236)	$ 6,384	$ 6,384

11. Obligations Under Long-Term Agreements

During fiscal year 2004, the School purchased the Center for Integrative Technology building and a long-term payment obligation to a third party was recognized. Based on a variety of assumptions, the current estimation is that the obligation will end on or about 2031. The principal obligation outstanding was $3,164 and $3,531 at June 30, 2024 and 2023, respectively.

Minimum annual obligation over the next five years and thereafter are as follows:

2025	$ 483
2026	483
2027	483
2028	483
2029	532
Thereafter	1,063
Total minimum payments	3,528
Interest expense	(364)
Total obligation	$ 3,164

(Dollars in thousands)

The School presents an asset retirement obligation on its consolidated statements of financial position that represents the probability and projected cost to remedy certain environmental hazards in relation to its buildings and boiler systems. The asset retirement obligation was $6,165 and $5,854 at June 30, 2024 and 2023, respectively, and is included within obligations under long-term agreements on the consolidated statements of financial position.

12. Leases

The School has operating right of use assets of $4,283 and $5,177 and lease liabilities of $4,498 and $5,361 at June 30, 2024 and 2023, respectively. The discount rates used range from 0.92% and 2.79%, for a weighted average discount rate of 1.14% and are based on the School's incremental borrowing rates over a comparable period to the respective lease. The remaining lease terms range from less than 1 year to 10 years, for a weighted average remaining lease term of 6.6 years.

The lease expense is reported in utilities, plant and equipment on the consolidated statements of activities and amounted to $1,067 and $1,039 for the years ended June 30, 2024 and 2023, respectively.

The following operating lease payments are expected to be paid for each of the following fiscal years ending June 30:

2025	$ 905
2026	919
2027	726
2028	724
2029	743
Thereafter	1,022
Total minimum payments	5,039
Present value discount	(541)
Lease liability	$ 4,498

13. Bonds Payable and Other Debt

Name	Original Issue	Fixed Rate	Maturity	2024	2023
Rhode Island Health and Education Building Corporation					
Series 2012	$28,340	2.50% - 4.00%	2024	$ -	$ 815
Series 2021B	$4,989	2.61%	2024	-	2,247
Series 2012B	$51,815	2.50% - 5.00%	2025	2,410	4,725
Series 2018	$54,950	4.00% - 5.25%	2049	52,920	53,960
Series 2020	$52,905	0.82% - 3.09%	2036	51,350	51,870
Series 2021A	$70,041	1.98%	2037	69,484	70,041
Bonds payable, net				176,164	183,658
Add: Unamortized premium on bonds				4,537	4,951
Less: Bond issuance costs				(1,103)	(1,209)
Bonds payable, net				$ 179,598	$ 187,400

(Dollars in thousands)

All bond premiums and issuance costs are being accreted straight line over the lives of the bonds which approximates the effective interest basis. Net amortization income of bond premiums and issuance costs for the years ended June 30, 2024 and 2023, was $308 and $295, respectively.

Rhode Island Health and Education Building Corporation (RIHEBC)

On September 13, 2018, the School sold $54,950 par value, 30 year, 5% coupon tax exempt bonds, resulting in $60,095 proceeds for use by the School, net of issuance costs. The School utilized the bond proceeds to construct a new residential facility and address deferred maintenance in several buildings. As of September 2021, the defined projects were complete and there were no remaining unused funds. The bonds maturing before August 15, 2029 are not subject to redemption prior to maturity (unless redeemed pursuant to the extraordinary redemption provisions). The bonds maturing on or after August 15, 2029 may be redeemed prior to maturity, at the option of the School beginning on or after August 15, 2028, in whole or in part at any time at their principal amounts, without premium, plus accrued interest to the redemption date.

Series 2012, 2012B and 2018 Bonds are subject to optional, extraordinary optional, and mandatory redemption.

The School is required to comply with financial covenants to support the Series 2021A and 2021B bonds. The liquidity ratio minimum requirement is 0.50 to 1. The School was in compliance with its debt covenant requirements as of June 30, 2024.

The School has pledged as collateral all revenue without donor restriction received in each fiscal year up to an amount equal to the debt service on the bonds due during the fiscal year.

Mandatory annual principal payments due for the next five years and thereafter are as follows:

2025	$ 7,727
2026	7,901
2027	8,025
2028	9,213
2029	9,683
2030–2049	133,615
Total annual principal payments	$ 176,164

Interest expense, net of capitalized interest, was $5,142 and $5,425 for the years ended June 30, 2024 and 2023 respectively.

(Dollars in thousands)

14. Net Assets

Details of the School's net assets are provided below:

	2024	2023
Without donor restrictions		
Board and internally designated funds	$ 13,530	$ 15,239
Board designated for endowment	274,939	258,802
Capital and other undesignated funds	45,560	47,966
Total net assets without donor restrictions	334,029	322,007
With donor restrictions		
Restricted by time or purpose	32,279	35,489
Restricted by time or purpose within endowment	67,960	56,231
Restricted in perpetuity	84,889	83,605
Total net assets with donor restrictions	185,128	175,325
Total net assets	$ 519,157	$ 497,332

15. Endowment Funds

The School's endowment consists of approximately 300 individual donor-restricted endowment funds and 35 board-designated endowment funds for a variety of purposes plus the following where the assets have been designated for endowment: pledges receivable, split interest agreements, and other net assets. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. The net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The School's Board of Trustees has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the original gift as of the gift date(s) of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the School classifies as net assets with donor restrictions, (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is also classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the School in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the School considers the following factors in making a determination to appropriate or accumulate endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the School and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and appreciation of investments
(6) Other resources of the School
(7) The investment policies of the School

(Dollars in thousands)

Endowment net asset composition by type of fund as of June 30, 2024 and 2023, were as follows:

	2024		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Board-designated for			
Scholarships	$ 13,691	$ -	$ 13,691
Academic and institutional purposes	258,535	-	258,535
Museum support	2,713	-	2,713
Total board designated	274,939	-	274,939
Donor-restricted for			
Scholarships	-	70,786	70,786
Academic and institutional purposes	-	38,468	38,468
Museum support	-	43,595	43,595
Total donor restricted	-	152,849	152,849
Total endowment funds	$ 274,939	$ 152,849	$ 427,788

	2023		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Board designated for			
Scholarships	$ 12,746	$ -	$ 12,746
Academic and institutional purposes	243,501	-	243,501
Museum support	2,555	-	2,555
Total board designated	258,802	-	258,802
Donor restricted for			
Scholarships	-	62,851	62,851
Academic and institutional purposes	-	36,197	36,197
Museum support	-	40,788	40,788
Total donor restricted	-	139,836	139,836
Total endowment funds	$ 258,802	$ 139,836	$ 398,638

Changes in endowment net assets for the years ended June 30, 2024 and 2023, were as follows:

	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Endowment net assets at June 30, 2023	$ 258,802	$ 139,835	$ 398,637
Investment return, net of fees	29,353	15,863	45,216
Gifts	17	3,283	3,300
Endowment return allocated for spending	(13,233)	(6,132)	(19,365)
Endowment net assets at June 30, 2024	$ 274,939	$ 152,849	$ 427,788

(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at June 30, 2022	$ 253,185	$ 128,044	$ 381,229
Investment return, net of fees	18,675	9,582	28,257
Gifts	59	7,905	7,964
Endowment return allocated for spending	(13,117)	(5,695)	(18,812)
Endowment net assets at June 30, 2023	258,802	139,836	398,638

The following provides additional information about the School's policies regarding the management of its endowment assets.

Endowment Funds with Deficits
From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts (underwater). When donor endowment deficits exist, they are classified as a reduction of donor-restricted net assets. Deficiencies of this nature did not exist as of June 30,2024. As of June 30, 2023, deficiencies of this nature exist in 6 donor-restricted endowment funds, which together had an original gift value of $2,935, a fair value of $2,772, for a deficiency of $163. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contribtions for donor-restricted endowment funds.

Return Objectives and Risk Parameters
The School has adopted endowment investment and spending policies that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of endowment assets. Under this policy, the return objective for the endowment assets, measured over a full market cycle of approximately five years, is to maximize the return against various market indexes across the investment portfolio as determined by the Investment Committee while minimizing risk. The goal of each investment manager over the investment horizon is to exceed the appropriate market index. The overall portfolio is intended to embody no greater risk than the risk of a blend of the indexes assigned to the managers.

Strategies Employed for Achieving Investment Objectives
To achieve its long-term rate of return objectives, the School relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends).

Endowment Spending Allocation and Relationship of Spending Policy to Investment Objectives
The Trustees of the School determines the method to be used to appropriate endowment funds for expenditure. In 2024 and 2023, the spending policy was to spend 5.00% of a rolling twelve-quarter average.

(Dollars in thousands)

16. Museum

Museum revenues for the years ended June 30, 2024 and 2023, are described below:

	2024	2023
Service revenue	$ 708	$ 792
Investment income	1,912	1,851
Gifts and grants	237	745
Total museum revenues	$ 2,857	$ 3,388

Investment income shown above represents the museum's portion of the School's endowment return allocated for spending.

Collections

The majority of the School's collections resides in the Museum and consists of artifacts of historical significance, art objects and books that are held for educational, research and curatorial purposes. Each of the items are cataloged, preserved, and cared for and activities verifying their existence and assessing their condition are performed periodically. The collections are subject to a policy that requires proceeds from their sales to be used to acquire other items for collections or to support the direct care of existing collections. The School expended $732 and $762 for acquisitions during the years ended June 30, 2024 and 2023, respectively. The School sold collections in the amount of $31 and $5 during the years ended June 30, 2024 and 2023, respectively. The School did not use any proceeds from the sale of its collections to support the direct care of existing collections for the years ended June 30, 2024 and 2023.

(Dollars in thousands)

17. Functional Expenses

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the School. Expenses reported by functional categories include allocations of costs for operation and maintenance of plant, interest on indebtedness and depreciation and amortization expense. The School applies various methods to allocate costs among the program and support functions, the most significant of which is by the amount of building space utilized.

Operating expenses by functional and natural classification for the years ended June 30, 2024 and 2023, were as follows:

	Instruction and Academic Support	Administrative and Institutional Support	Auxiliary Services	Museum	2024 Total
Salaries and wages	$ 47,715	$ 32,905	$ 5,963	$ 5,882	$ 92,465
Benefits	12,643	7,917	1,730	1,764	24,054
Contracted services	6,606	12,743	806	1,633	21,788
Depreciation, amortization and interest	1,000	21,428	446	299	23,173
Utilities, plant and equipment	3,275	10,184	490	468	14,417
Supplies and general	2,500	1,153	5,666	313	9,632
Other operating expenses	1,619	1,628	62	173	3,482
Total operating expenses	$ 75,358	$ 87,958	$ 15,163	$ 10,532	$ 189,011

	Instruction and Academic Support	Administrative and Institutional Support	Auxiliary Services	Museum	2023 Total
Salaries and wages	$ 47,230	$ 30,167	$ 5,549	$ 5,170	$ 88,116
Benefits	12,131	8,044	1,518	1,509	23,202
Contracted services	4,757	14,726	917	1,426	21,826
Depreciation, amortization and interest	5,362	2,321	11,182	3,058	21,923
Utilities, plant and equipment	5,603	6,344	2,687	1,105	15,739
Supplies and general	2,534	1,435	5,904	214	10,087
Other operating expenses	1,588	1,268	139	137	3,132
Total operating expenses	$ 79,205	$ 64,305	$ 27,896	$ 12,619	$ 184,025

18. Retirement and Pension Plans

The School participates in the Teachers Insurance and Annuity Association (TIAA) for eligible faculty, administrative and staff employees. The School made contributions to the TIAA retirement plan which totaled approximately $5,366 and $5,118 for the years ended June 30, 2024 and 2023, respectively.

(Dollars in thousands)

19. Related Party Transactions

The School conducts transactions with related parties on terms equivalent to those that prevail in arm's length transactions. Related-party activity is conducted in accordance with the School's procurement process and includes a competitive bidding process whereby the related party is excluded from the discussion and decision-making process.

Contributions from related parties totaled $1,867 and $3,545 for the years ended June 30, 2024 and 2023, respectively. Outstanding pledges receivable from related parties total $1,053 and $2,766 at June 30, 2024 and 2023, respectively.

20. Department of Education Financial Responsibility

The School participates in student financial assistance programs (Title IV) administered by the United States Department of Education (ED) for the payment of student tuition. Substantial portions of the School's revenue relating to student tuition are dependent upon the continued participation in the Title IV programs.

Institutions participating in Title IV programs are required to demonstrate financial responsibility. Financial responsibility is determined through the calculation of a composite score based upon certain financial ratios as defined in regulations. Institutions receiving a composite score of 1.5 or greater are considered fully financially responsible. Institutions receiving a composite score between 1.0 and 1.4 are subject to additional monitoring and institutions receiving a score below 1.0 are required to submit financial guarantees in order to continue participation. The School's composite score exceeded 1.5 in 2024 and 2023.

The ED requires the School to provide additional disclosures to assist the ED in measuring financial responsibility through the composite score of financial ratios. The following information is required by the ED at June 30:

	Pre-Implementation	Post-Implementation - With Debt	Post-Implementation - Without Debt	Total
Property and equipment, net	$ 210,554	-	$ 54,846	$ 265,400
Right-of-use asset	1,713	-	2,570	4,283
Subtotal	$ 212,267	-	$ 57,416	$ 269,683
Construction in progress				6,611
Total				$ 276,294
Total property and equipment, net				$ 272,011

	Pre-Implementation	Post-Implementation - With Debt	Post-Implementation - Without Debt	Total
Bonds payable, net	$ 179,598	-	$ -	$ 179,598
Obligations under long-term agreements	3,164	-	-	3,164
Lease liability	2,474	-	2,024	4,498
Total	$ 185,236	-	$ 2,024	$ 187,260

21. Commitments and Contingencies

The School has an unsecured line of credit with TD Bank, N.A of $20,000. On June 11, 2024, the line of credit was amended to extend the maturity date to June 15, 2025. Interest is payable monthly at the Secured Overnight Financing Rate (SOFR) plus 1.0% (6.33% at June 30,2024). The School had no outstanding borrowings against the line of credit as of June 30, 2024 and 2023.

In conducting its activities from time to time the School is the subject of various claims and also has claims against others from time to time. In management’s opinion, the ultimate resolution of such claims would not have a material adverse or favorable effect on the financial position of the School.

22. Subsequent Events

Management has evaluated the subsequent events for the period after June 30, 2024 through November 7, 2024, the date the consolidated financial statements were available to be issued.